


The California State University
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To: Human Resources Directors
Benefit Officers

Reference HR 2002-03

From: Cathy Robinson 
Assistant Vice Chancellor
Human Resources Administration

Subject: Benefits Update – CSU Sponsored Mortgage Assistance Program

We are pleased to announce that the contractual agreement between California State University (CSU) and CitiMortgage, Inc. has been extended through March 31, 2005.

The Mortgage Assistance program is primarily targeted to assist moderate to low-income households and employees making investments in moderate to low-income census tracts as defined by the U.S. Department of Housing and Urban Development (HUD). This will be especially beneficial to employees at campuses with existing, or soon to be developed, housing units for sale to faculty and staff. Please be advised, however, that certain steps must be taken by the campus to ensure full applicability where leased land is involved.

As determined by CitiMortgage, the employee's household is considered to be low-to-moderate if its income is below 80% of area median income as defined by HUD. The property is considered to be located in a low-to-moderate census track if the median income of the tract is less than 80% of the area median income.

Under the prior agreement, CitiMortgage offered 2% of the mortgage loan amount up to \$2,000 (\$4,000 for CSU Channel Islands employees) for closing costs and prepaid expenses, if the employee's household is a low-to-moderate income household or the property securing the loan is located in a low-to-moderate census track. In accordance with the new terms of agreement, such assistance has been increased to \$3,000. However, the amount specified for CSU Channel Islands employees remains unchanged. Additional features of the program are summarized below:

Distribution:

CSU Presidents
Executive Vice Chancellor, CFO
Vice Presidents, Business/Administration
Vice Chancellor, Human Resources
Director, SOSS
Payroll Managers

- CitiMortgage will provide assistance to the campus representative with home buying seminars, in addition to product and program materials.
- Employees purchasing or refinancing their homes through CitiMortgage will be provided a credit at closing of the application fee paid at the time of origination, or a credit of the appraisal and credit report fees, if an application is not collected.
- CitiMortgage will provide opportunities for 100% loans at 80% loan-to-value rates, avoiding private mortgage insurance (PMI) rate premiums, when leased land from campuses and/or affiliates is involved.

The main contact for CitiMortgage is Mr. Bridges Stewart, National Urban Sales Manager (phone: 510-324-2759 or e-mail at bridges.stewart@citicorp.com).

Questions regarding program management from the CSU perspective can be addressed to Lenore Rozner, Assistant Vice Chancellor of Business Planning, via phone at 562-951-4550 or via e-mail at lrozner@calstate.edu.

The full text of the agreement can be found on the CSU Contracts and Procurement website at: <http://www.calstate.edu/CSP/bulletins/02-02.pdf>. The agreement will be in effect until March 31, 2005 (through October 2, 2008 for CSU Channel Islands), at which time it will be re-evaluated.

If you have any questions regarding this Technical Letter, please contact Michelle Hamilton at (562) 951-4413. This Technical Letter is also available on Human Resources Administration's web page at: <http://www.calstate.edu/HRAdm/memos.shtml>

CR/mh